rate upon the general income of the road. In *Atlantic Coast Line* v. *Florida*, 203 U. S. 256, the court indicates that in questions of this type the cost of such transportation is one element to be considered, but also enumerates the effect of the rate change upon the income of the road as an entity. The difficulties connected with any attempt to apply a pure cost theory to particular rates are so apparent and great that they may well justify the court in refusing to extend the principle which it has followed in separating interstate from intrastate, and passenger from freight, traffic, to this type of case.

The question, therefore, of the reasonableness of particular regulations affecting railroads, in so far as they involve the question of incomes for particular parts of the line or particular branches of the service, must always hinge upon the determination of a just and reasonable "service unit" and "property unit." In determining the reasonableness of any such units that may be taken, considerations of the public duties owed by this type of corporation, and of public policy growing out of the relation of this industry to the general industrial situation of the community, are of prime importance. Considerations of practical difficulty in the application of any rule, and of justice among the various groups served by railroads must also have a due share in the decision. In the light of these considerations, it is submitted that the attitude of the courts in the rules thus far adopted, has followed a reasonably sound analysis of the problem, although at times they have been rather inadequate in their statement of the reasons for their rules. H. R.

THE RIGHT OF A STOCKHOLDER TO HAVE A RECEIVER APPOINTED.—In the past the question of the right of a stockholder in a corporation to have a receiver appointed was generally disposed of by the question of whether a court of equity had the power to grant such relief. The courts laid down the general rule that courts of equity had no jurisdiction to appoint a receiver at the suit of a stockholder though he charged fraud, mismanagement, and collusion, upon the ground that to do so would work a dissolution of the corporation and hence accomplish indirectly what they could not do directly, *Decker* v. *Gardiner*, 124 N. Y. 334, 26 N. E. 814, *Neilly* v. *Hill*, 16 Cal. 145, and that the extent of the court's power was to grant an injunction, *Barton* v. *International Fraternal Alliance*, 85 Md. 14, 36 Atl. 658.

But to this general rule there were certain exceptions, the courts recognizing their power to appoint receivers where failure and ruin of the corporation were inevitable, *Ulmer* v. *Maine Real Estate Co.*, 93 Me. 324, or where the objects of the corporation had become impossible of attainment, *People's Investment Co.* v. *Crawford* (Tex.), 45 S. W. 738, or the corporation was no longer a going concern, *Greenleaf* v. *Land and Lumber Co.*, 146 N. C. 506, or where the corporation was insolvent coupled with gross mismanagement of its affairs by its officers as well as misconduct on their part constituting a breach of trust, *U. S. Shipbuilding Co.* v. *Conklin*, 126 Fed. 132, 60 C. C. A. 680. But the power to appoint a receiver over a solvent, going concern was generally denied, *Daniels* v. *District Court*, 33 Colo. 293, 80 Pac. 908.

In the progress of time and the development of our jurisprudence the earlier rule underwent a gradual change and the powers of a court of equity were enlarged for the purpose of fully protecting the interests of all those owning interests in corporations. In *Columbus National Land Dredging Co.* v. *Washed Bar Sand Dredging Co.*, 136 Fed. 710, the court held that equity had the power to appoint a receiver over a solvent going concern where because of fraud or mismanagement by the officers the property of the corporation was imperiled and the continuance of such conduct would work irreparable injury to the minority stockholders. A similar decision was rendered in *Cantwell* v. *Lead Co.*, 199 Mo. 1, 97 S. W. 167 upon the principle that appointing a receiver over a corporation under such circumstances was similar to appointing a receiver over a partnership where the partners have quarreled and injury is sure to result to one of the partners. And in *Falfurrias Irrigation Co.* v. *Spielhagen* (Tex.), 129 S. W. 164, it was held that under such conditions equity had jurisdiction to appoint a receiver for the appointment of a receiver would not necessarily work a dissolution of the corporation and although that result might finally be reached, it did not necessarily follow.

At the present time the tendency of the courts is to treat corporations somewhat as co-partnerships when the question of equitable relief is brought up. In COOK, CORP. (7th Ed.) § 746 it is said:—"The powers of equity to appoint receivers over corporations are very broad. * * * Such receivership, however, will be granted only in extreme cases and will be limited in time and extent so far as circumstances will permit," citing *Carson* v. *Alleghany etc. Co.*, 189 Fed. 791. And the latest cases seem to recognize the power of courts of equity to appoint receivers over corporations and to make the question one as to the sufficiency of the showing by the stockholder, *Exchange Bank* v. *Bailey*, 29 Okl. 246, 116 Pac. 812; *Smith* v. *Chase & Baker Piano Mfg. Co.*, 197 Fed. 466; *Pride* v. *Pride Lumber Co.*, 109 Me. 452, 84 Atl. 989; *Brent* v. *Sawmill Co.*, 103 Miss. 876, 60 So. 1018, 43 L. R. A. (N.S.) 720. But such showing must usually amount to one where the property of the corporation is in danger of being lost and the stockholder is being injured because of the actions of the majority stockholders, for equity will not appoint a receiver upon a mere showing of mismanagement if there is no fraud and no danger of insolvency, *Black* v. *Sullivan Timber Co.*, 147 Ala. 327. And in the most recent case upon the subject, *Williams* v. *Watt* (Tex. 1915), 171 S. W. 266, the court held that, even under the Texas statute allowing the appointment of a receiver where the corporation is insolvent or in imminent danger of insolvency, a stockholder in a corporation was not entitled to the appointment of a receiver upon the ground of insolvency or imminent danger of insolvency alone, but that in addition he must show that he had a cause of action against the corporation independent of the receivership and that his interest as such stockholder required the appointment to be made.

In New York, Indiana, Kansas, Missouri, Louisiana, and Washington there are now statutes giving to the courts the right to appoint receivers under certain circumstances. A. M. R.